



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0553	Title:	Preventing the regulation of incidental political committees
Primary Sponsor:	Howard, David	Status:	As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$41,000	\$25,080	\$20,900	\$26,093
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$41,000)</u>	<u>(\$25,080)</u>	<u>(\$20,900)</u>	<u>(\$26,093)</u>

Description of fiscal impact:

The fiscal impact of HB 553 is associated with an anticipated increase in legal costs and rulemaking and a reduction of personal services within the Commissioner of Political Practices office staff.

FISCAL ANALYSIS

Assumptions:

Office of Commissioner of Political Practices

- Contributions and expenditures for state district (legislative), county, city, and school candidates would no longer be disclosed if they are valued at \$300 or less.
- Campaign financial disclosure would be eliminated for most candidate campaigns.
- The formal complaint process will become the preferred method available to gain campaign information, this will result in an indefinite increase in legal costs to investigate and resolve formal complaints.
- The current formal complaint load is estimated to increase by 25 percent as a result of HB 553; the additional legal services costs would be \$36,000 (12 complaints x \$3,000 per complaint.)
- The estimated cost for one time changes to the electronic filing system is \$8,000 in FY 2010.
- Legal services will be required for a rewriting campaign finance rules. The estimated cost is \$12,000 (120 hours @ \$100/hour.) Contracted services are required to have proposed rules formatted per ARM regulations. The contract would be 100 hours at a cost of \$10 per hour resulting in a cost of \$1,000 in FY 2010. Total rulemaking costs are estimated at \$13,000 in FY 2010 only.

7. The Commissioner of Political Practices would have a reduction of 0.50 FTE beginning in FY 2010 for a total of decrease of \$10,920 per year in personal services.
8. Overtime and compensatory time would be reduced by \$5,080 in even numbered years (FY 2010 and FY 2012).
9. A 2.5% inflation factor is applied to FY 2012 and FY 2013 costs.

	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>	<u>FY 2012</u> <u>Difference</u>	<u>FY 2013</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	(0.50)	(0.50)	(0.50)	(0.50)
<u>Expenditures:</u>				
Personal Services	(\$16,000)	(\$10,920)	(\$16,000)	(\$10,920)
Operating Expenses	\$57,000	\$36,000	\$36,900	\$37,823
TOTAL Expenditures	\$41,000	\$25,080	\$20,900	\$26,903
<u>Funding of Expenditures:</u>				
General Fund (01)	\$41,000	\$25,080	\$20,900	\$26,093
Other	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$41,000	\$25,080	\$20,900	\$26,093
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$41,000)	(\$25,080)	(\$20,900)	(\$26,093)

Technical Notes:

1. 13-37-121(1), MCA, requires that each campaign statement and report filed must be inspected within 20 days after the statement or report is filed. Eliminating the itemization of contributions and expenditures would complicate the inspection and the office anticipates that it could not be accurately completed. The current ability to notify candidates and committees of inaccuracies and/or illegal activity would be reduced or lost.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date